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S/N 10/674,698

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicants: Palmere, *et al.*

Examiner: Azpuru, C.

Serial No.: 10/674,698

Group Art Unit: 1615

Filed: September 30, 2003

Docket No.: 60044.0058USC4

Title: Methods and Compositions for Retarding and Eradicating Infestation in Trees and Tree Derived Products

**CERTIFICATE UNDER 37 CFR 1.10:**

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I hereby certify that this paper or fee is being deposited with the U.S. Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

By: 

Name: David Ortiz

**INFORMATION DISCLOSURE STATEMENT**

Mail Stop Amendment  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

With regard to the above-identified application, the items of information listed on the enclosed Form 1449 are brought to the attention of the Examiner.

This statement should be considered because it is submitted after the mailing date of a first Office Action on the merits, but before the mailing date of: i) a final action under 37 C.F.R. § 1.113; ii) a Notice of Allowance under 37 C.F.R. § 1.311; or iii) an action that otherwise closes prosecution on the application.

No representation is made that a reference is "prior art" within the meaning of 35 U.S.C. §§ 102 and 103 and Applicants reserve the right, pursuant to 37 C.F.R. § 1.131 or otherwise, to establish that the reference(s) are not "prior art." Moreover, Applicants do

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not represent that a reference has been thoroughly reviewed or that any relevance of any portion of a reference is intended.

The undersigned appreciates the Examiner conducting a face-to-face interview meeting with him on December 17, 2004. During the interview, the undersigned discussed with the Examiner developments in litigation involving the predecessor patents to the above-referenced application pursuant to M.P.E.P § 2001.06(c). The Examiner had previously been advised of this litigation by Applicants' counsel, Mr. Allan Altera.

In this IDS and during the interview, the undersigned has tried to present the materials to the Examiner as concisely as possible. The defendant in the ongoing litigation, however, has made numerous allegations that potentially bear on the patentability of the pending claims. Applicants are thus concerned that if information is not addressed relating to all of defendant's contentions, then the potential exists for even more charges of inequitable conduct based on the prosecution of this patent application. The present IDS attempts to balance these concerns.

The majority of the submissions relate to the use and sale of a "Bora-Care" product in 1988. Applicants believe the documents indicate that the sale is for a formulation that does not bar patentability. The Examiner recalled meeting face-to-face with Applicants' counsel Mr. Altera during the prosecution of an earlier application in the priority chain (issued U.S. Patent No. 6,426,095) and discussing the interrelationship of the sales receipts and batch tickets from 1988.

Applicant has provided additional documents in this IDS that coincide with the previously submitted documents and Applicant has submitted inventors' testimony that is corroborated by the documentary evidence. Applicants have further provided uncorroborated testimony that the defendant contends supports that a different, barring "Bora-Care" formulation was sold before the critical date. The Examiner indicated that he would review all of the materials submitted in this IDS more carefully and render his decision regarding patentability of the pending claims.

Also, the Examiner did not request any of the pleadings or filings from the litigations, but the undersigned proposed during the interview submitting some materials nonetheless, and these litigation materials are included on the Form 1449. The

undersigned also reiterates that Applicants will be happy to provide any additional litigation pleadings that the Examiner may desire.

#### **Published References**

Applicants have become aware of the following published references since filing the above-referenced application:

U.S. Patent No. 2,655,454;  
U.S. Patent No. 4,572,733;  
Chemical Abstract Number 89: 13 1 145 (Hiraishi, 1978);  
Chemical Abstract Number 107:23 8824 (Takeuchi, 1987);  
Hoffmann, Per. *Holzforschung* 1988, 42, 289-294; and  
Trumble, W. P.; Messina, E. E. *Proceedings -Annual Meeting of the American Wood-Preserver's Association* 1985,81,203-214.

Copies of these documents are provided and cited in the Form 1449 filed herewith.

#### **Litigation**

The Examiner is aware of the litigation involving patents that have issued earlier in the priority chain for the above-identified application. There are three lawsuits, all of which are interrelated, all of which Applicants are the plaintiff, and all of which the defendant is the same. Also, the defendant is the original corporate owner of the patent rights at issue here.

Listings of the filed pleadings and issued rulings for these three respective lawsuits are attached as Exhibits 1-3. Applicants will provide the Examiner with any of the listed pleadings upon request. Applicants believe the most relevant of these lawsuits to this patent application is the second, which is civil action number 3:03-CV-120 and has the pleadings listed in Exhibit 2. For this lawsuit, Applicants provide a copy of the First Amended Complaint, Amended Answer, and Answer to Counterclaims as Exhibits 4-6, respectively. Applicants have also included "Perma-Chink's Motion for Summary Judgment of Patent Unenforceability Due to Inequitable Conduct", filed December 16, 2004, detailing allegations of inequitable conduct in the parent application. These litigation documents are also cited in the associated Form 1449.

**Non-Published References Raised in the Litigation**

During prosecution of U.S. Patent No. 6,426,095, the Examiner evaluated whether the use, manufacture, and sale in 1988 of a product called “Bora-Care” barred the patentability of the claims under Section 102(b). He determined that the claims were patentable based on the formulation of the “Bora-Care” product sold that year. The same facts and analysis apply to the currently pending claims, which Applicants again address, including advising the Examiner of contrary oral testimony—information that Applicants believe is immaterial as a matter of law, but which Applicants still submit to the Examiner.

With regard to this oral testimony, Applicants believe it has been the law for over a century that only corroborated testimony is relevant to determining the patentability of claims:

In view of the unsatisfactory character of testimony, arising from the forgetfulness of witnesses, their liability to mistakes, their proneness to recollect things as the party calling them would have them recollect them, aside from the temptation to actual perjury, courts have not only imposed upon defendants the burden of proving such devices, but have required that the proof shall be clear, satisfactory, and beyond a reasonable doubt.

*Barbed Wire Patent Case*, 143 U.S. 275, 284 (1892). The Federal Circuit has consistently followed this Supreme Court ruling, for example holding “[c]orroboration is required of any witness whose testimony alone is asserted to invalidate a patent, regardless of his or her level of interest.” *Dow Chem. Co. v. Mee Indus., Inc.*, 341 F.3d 1370, 1389 (Fed. Cir. 2003).<sup>1</sup>

Although the preponderance of the evidence standard applies in Patent Office proceedings, oral testimony nevertheless must satisfy the clear and convincing standard. To that end, the Court of Customs and Patent Appeals addressed a factually similar situation in *In re Reuter*, 670 F.2d 751 (CCPA 1981). The Patent Examiner rejected claims in a patent reissue application based, *inter alia*, on uncorroborated testimony provided in related district court litigation. *Id.* at 752. On appeal, the CCPA ruled that

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<sup>1</sup> Uncorroborated testimony does not become material even if multiple witnesses offer the same uncorroborated testimony. See *Juicy Whip, Inc. v. Orange Bang, Inc.*, 292 F.3d 728, 740-43 (Fed. Cir. 2002) (holding oral testimony by six interested witnesses uncorroborated by documentary evidence was not sufficient evidence to support a jury’s finding of anticipation).

despite the preponderance of the evidence standard that applies in Patent Office proceedings, affidavits and deposition testimony nevertheless must satisfy the clear and convincing evidence standard. *Id.* at 757-58. Specifically, the court ruled:

In this case, Poynter, as an inventor, made statements regarding his alleged prior reductions to practice using model wings similar to appellants' claimed invention. The credibility of such statements must be established by clear and convincing evidence. The Supreme Court described the problems associated with such evidence and the approach to be taken in evaluating it in *The Barbed Wire Patent*

....

Accordingly, we agree with appellant that Poynter's *uncorroborated statements regarding his alleged prior invention are entitled to no weight.*

*Id.* at 758-59 (emphasis added) (internal citations omitted). If uncorroborated testimony from litigation is entitled to no weight, by definition it cannot be "material to patentability."

Subsequently, in *In re Sneed*, 710 F.2d 1544 (Fed. Cir. 1983), the Federal Circuit relied on this CCPA holding and found that corroborated deposition testimony could be given weight at the Patent Office. There, the patent applicant appealed from the prosecution of a reissue application, which again is conducted on the preponderance of the evidence standard. *Cf. id.* at 1550, n.4. Despite the lower burden of proof for *ex parte* prosecution, the Federal Circuit phrased the issue as: "Accordingly, the critical question is whether the truth of the Brown and McLennan testimony has been established by clear and convincing evidence." *Id.* at 1550 (emphasis added). The Federal Circuit then ruled:

[W]e are satisfied that the truth of the Brown and McLennan [deposition] testimony has been established by clear and convincing evidence and that it was, therefore, properly considered by the PTO in support of the obviousness rejection.

*Id.* In reaching its ruling, the Federal Circuit relied on, *inter alia*, corroboration from a newspaper article showing the anticipatory prior art, other dated photographs, the still existing product, invoices for the raw components, and documentation of the use of the anticipatory device. *Id.*

With regard to the present Application, Applicants have submitted documentary evidence and deposition testimony relating to Section 102(b) analysis of the claimed invention. Applicants believe the key issue in the Section 102(b) analysis here is the chemical formulation of the “Bora-Care” product manufactured and sold in 1988. Applicants believe that the 1988 Bora-Care product employed a formulation that does not affect the patentability of the pending claims, while the defendant in the litigation contends that it was a barring formulation. The formulation that is believed to be non-barring has been referred to as Bora-Care “Ready to Use” or Bora-Care “RTU.” The RTU product had a formulation of ethylene glycol, Timbor (*i.e.*, disodium octaborate tetrahydrate), and water. In contrast, the current formulation is referred to as Bora-Care “concentrate,” which is a mixture of Timbor, ethylene glycol, and polyethylene glycol. The end user dilutes the Bora-Care concentrate with water before use. If sold before May 1989, this latter formulation most likely bars the pending claims under Section 102(b).

Applicants believe that an appropriate starting point for the analysis of these Bora-Care sales is the “Batch Tickets,” which document the formulation at issue and the manufacturing dates of each batch. These documents are attached as Exhibit 8 (previously submitted in prosecution of the parent applications). As will be noted, the first ticket, Batch 1001, was manufactured on June 20, 1988 and includes ethylene glycol, Timbor, and water, so it is the Bora-Care RTU formulation. The last documents are for Batch 1010, which was manufactured on November 15, 1988, and is also the Bora-Care RTU formulation of ethylene glycol, Timbor, and water. All of the intervening batch tickets, Batches 1002-1009, also are for the RTU formulation that includes the same three components.

In comparison, the next sequential Batch Tickets, Batches 1011 and 1012 (Exhibit 9), were manufactured on May 11, 1989 and October 24, 1989, respectively. The formulation made in 1989 is different from the earlier batch tickets, namely, the Bora-Care concentrate formed of Timbor, ethylene glycol, and polyethylene glycol. Notably, these 1989 batch tickets also were modified to expressly specify “Bora-Care Concentrate” in the respective documents themselves, which was not in the 1988 batch tickets.

Corporate sales records, included as Exhibit 10, temporally correspond to the 1988 batch tickets. That is, the Bora-Care sales started in July 1988—shortly after the first batch (Batch 1001) was manufactured in June 1988—and terminated approximately the time that the last batch (Batch 1010) of the RTU formulation was manufactured in November 1988. Of note, the sales records also indicate that there were no Bora-Care sales from the end of November 1988 until April 1989, the last month on the record. The Bora-Care sales from April 1988 to April 1989 total \$6,400.00.

One of the co-inventors, Mr. Allan “Bud” Dietrich, testified in a deposition about the correlation between the batch tickets (Exhibit 8) and sales records (Exhibit 10):

- Q. Is this old formula or new formula Bora-Care that’s reflected in these sales under the heading “BORA-CARE” [on the sales summary]?
- A. This is old formula.
- Q. And so out of the total, there was over \$6,400 of old formula ready-to-use Bora-Care sold during this time period, from April 1988 to March 1989; correct?
- A. Yes, sir.
- Q. And do you have records of any of those batch sheets for that production of those sales?
- A. We have records of one through—excuse me—1000 [sic, 1001] through 1010 of the old Bora-Care.

Exhibit 11, 118:8-19. Thus, in addition to the temporal correlation, an inventor testified about the interrelationship between the 1988 sales data and Batch Tickets 1001 to 1010.

In addition, the sworn testimony of co-inventors Mr. Dietrich and Mr. Stanley Galyon establishes the reduction to practice of the Bora-Care concentrate to be December 13, 1988 by reference to a laboratory batch ticket attached hereto as Exhibit 12. This date falls after the last occurrence of sales during 1988 (*see* Exhibit 10), so it would have been impossible for the Bora-Care concentrate to have been sold during 1988.

In addition to the impossibility of a product being physically sold before ever being made, the inventors also expressly testified that the Bora-Care RTU—not Bora-Care concentrate—was the only product sold in 1988. First, Mr. Dietrich expressly addresses the impossibility of selling a product before its was ever made. Exhibit 11, at 99:7-15. Mr. Galyon similarly testified that the Bora-Care concentrate was not sold in 1988. Exhibit 13, 49:1-9. Therefore, the inventors’ sworn testimony establishes that

only Bora-Care RTU was sold in 1988. Importantly, this testimony is corroborated by documents, including the Batch Tickets for the RTU product (Exhibit 8).

Further addressing the contention that the Bora-Care concentrate was being sold during 1988, the only contradictory information is from uncorroborated testimony of deposition witnesses—some of whom have no first-hand knowledge of the sales or developmental activities in 1988. The first example of testimony at issue here involves Mr. Jeffery Baden, who was marketing manager from November 1989 to 1995. See Exhibit 15, 7:2-7. Mr. Baden stated that he was never aware of an RTU product being sold in 1988 from his interaction with the inventors and he never saw RTU records during his employment. Exhibit 15, 13:16-14:12. In fact, the documentary evidence, Batch Tickets 1001-1010 (Exhibit 8), show that contrary to Mr. Baden's speculative statements, the Bora-Care RTU product was being manufactured and sold in 1988.

Uncorroborated oral testimony was also given by the defendant's marketing manager, Mr. Jeffery Leikhus, who worked for the defendant from 1986 to 1989. Although employed during the relevant time period, Mr. Leikhus had no personal knowledge of which Bora-Care formulation was being manufactured and sold in 1988. That is, Mr. Leikhus worked in a corporate office in Redmond, Washington, while the Bora-Care research, development, manufacturing, and distribution all occurred across the country in the office located in Knoxville, Tennessee. See Exhibit 16, at 9:22-25; 15:2-8. This absence of personal knowledge is apparently why Mr. Liekhus provided non-definitive answers to questions about which Bora-Care products were being sold during the relevant time periods. *Id.* at 22:18-23:8. Mr. Liekhus later testified in that same deposition that he understood the advertisements that he prepared in 1988 were for the Bora-Care concentrate, not the RTU formulation. See *id.* at 57:15-19. Mr. Liekhus' uncorroborated testimony cannot be used to invalidate patent claims, and the case is even stronger here considering Mr. Liekhus lacks first-hand knowledge of the chemical composition of the products that were being manufactured and shipped to customers in 1988.

One of the defendant's agents, Ms. Judy Gross, also offered uncorroborated testimony regarding her sales and use of a "Bora-Care" product in 1988. See Exhibit 17.



Specifically, Ms. Gross testified that every sale and use of the product in 1988 was always for the Bora-Care concentrate, never the Bora-Care RTU. The documents show Ms. Gross' testimony to be wrong—which is the primary basis for requiring corroboration. Sales receipts that Ms. Gross produced in the litigation—and Applicants previously submitted to the Patent Examiner—show an undisputable interrelationship with the RTU Batch Tickets. Further documentary support that Ms. Gross originally received the unacceptable RTU material from Batch 1003 is present in Ms. Gross' own "phone pad" (Exhibit 18 hereto), in which she contemporaneously maintained notes of business matters during this timeframe. *See* Exhibit 17, 35:21-36:20. As Ms. Gross testified, Exhibit 18 about this batch, which was sold to a Mr. Cass:

- Q. Page LC90, which is the page that precedes the last one that we were talking about, is that your handwriting here?
- A. Yes.
- Q. Okay.
- A. That's in reference to that one that we had.
- Q. Are you talking about the invoice?
- A. Yeah, the invoice that says that 1003. There's a reference made to this number.
- Q. Okay.
- A. "Bad batch," and I don't know if that meant the batch problem or if it was the busted bucket, because we had some damage.
- Q. Okay.
- A. Remember I told you there was an exchange of some in that invoice? And that was sent to—
- Q. Was that the Casses?
- A. Yeah, I think it was Casses.

Exhibit 17, 61:19-62:10 (emphasis added). This "phone pad" is further contemporaneous documentary evidence that Mr. Cass was originally shipped the contaminated formulation set forth on Batch Report 1003, which is for the Bora-Care RTU formulation.

The intertwined documentary evidence shows Mr. Cass was sold the RTU formulation in 1988, but Ms. Gross repeatedly testified that this very sale involved the Bora-Care concentrate. Exhibit 17, 33:1-5; 34:16-20. Ms. Gross' uncorroborated testimony is not viable in view of her own documents. Stated differently, Applicants believe Ms. Gross' testimony that she sold Bora-Care concentrate cannot be reconciled

with the clear interrelationship between her own documents and the Batch Tickets showing the RTU product was sold and shipped by Ms. Gross.

Mr. Gross, the husband of Ms. Judith Gross, similarly offered uncorroborated testimony paralleling that of his wife. As to the information for which he had first-hand knowledge, Mr. Gross testified that he applied Bora-Care concentrate to his house in July 1988. Exhibit 19, 8:24-25; 13:2-8. As documented above, the Bora-Care concentrate was not even made until after this time. Applicants believe that Mr. Gross' testimony cannot be reconciled with the corroborated testimony of the inventors or the associated documents. Thus, in addition to being legally immaterial based on being uncorroborated, Mr. Gross' testimony is contrary to the documents and corroborated testimony that the inventors gave.

Applicant also advises the Examiner of the following contentions outside of the uncorroborated testimony that, according to the defendant, supposedly make it more probable that the Bora-Care concentrate was sold before the critical date of May 1989:

- 1) The laboratory batch ticket designated as "DX-5" is supposedly a commercial manufacturing batch ticket;
- 2) The filing of an EPA application in January 1989;
- 3) The "Rest Assured" advertisement being prepared and used before the Bora-Care concentrate was first made or reduced to practice;
- 4) Testimony that "Bora-Care"—without specifying RTU or concentrate—was invented in the time period from late 1987 to early 1988; and
- 5) The fact that the inventors may have met with patent counsel before inventing the Bora-Care concentrate.

Each of these items is addressed below.

First, with regard to the batch ticket, Applicants refer the Examiner to Exhibit 12 hereto, which has been referred to as "Exhibit 5" in the litigation. This exhibit is a blank "batch ticket." Applicants believe this document indicates that a laboratory sample was manufactured on that date. To that end, the inventors testified that "Exhibit 5" is different from the Batch Tickets that memorialize the manufacture of commercial sized batches before and after December 1988. Exhibit 14, 57:10-15.

Mr. Dietrich elaborated on this point that the “Exhibit 5” is a blank form, not a manufacturing batch ticket. Exhibit 11, 48:21-51:17. The points that Mr. Dietrich addressed can be appreciated by comparing Exhibit 12 hereto to Exhibits 8 and 9, which are Batch Tickets dated before and after the document about which he testified. Based on this testimony, Applicants submit that Exhibit 12 hereto is a laboratory batch report, not a commercial batch ticket. Such a laboratory batch report does not indicate commercial activity involving the Bora-Care concentrate.

Second, with regard to the EPA application, the original owner of the patent rights filed an EPA application for the Bora-Care concentrate on January 11, 1989. *See* Exhibit 20 hereto.<sup>2</sup> This filing occurred after the first reduction to practice of the Bora-Care concentrate. This filing is not a viable basis for contending that the Bora-Care concentrate was being manufactured and sold in 1988 because it cannot constitute a public disclosure.

Pursuant to federal statute, all filings of pesticide formulations made with the EPA are treated as confidential business information. *See* 7 U.S.C. § 136(h) (entitled “Protection of trade secrets and other information”). Given the EPA’s treatment of formulations as proprietary, this filing cannot be a barring activity under Section 102(b). One court considered distribution of information to many entities—including twenty governmental agencies—that treated the disclosures as confidential and found no bar:

There can be no serious argument that distribution to thirty-three selected recipients [20 of whom were government groups] who treated the letter as confidential constituted distribution to the entire interested public.

*Aluminum Co. of Am. v. Reynolds Metals Co.*, 14 USPQ2d 1170, 1173 (N.D. Ill. 1989). The Federal Circuit also found that documents that were not authorized for public release and were maintained under a policy of restricted access could not qualify as a “printed publication” under Section 102(b). *See Northern Telecom, Inc. v. Datapoint Corp.*, 908 F.2d 931, 936 (Fed. Cir. 1990). Because federal statute prohibits free public access to

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<sup>2</sup> Because of confidentiality, Applicants has redacted the percentages for each component of the formulation submitted to the EPA in the cited document. The materials, however, still convey the information that was submitted to the EPA.

formulations submitted to the EPA, filing such an EPA application before the critical date cannot bar patentability.

Third, with regard to the "Rest Assured" advertisement, the original patent owner used the same advertisement to market all of its products in 1988 and 1989, and that advertisement lists "Bora-Care" as one of many items. A copy of the advertisement previously cited to the Examiner is attached as Exhibit 21 hereto (not recited on Form 1449). It will be noted that "BORACARE" is the last of six different products listed in the advertisement. During the prosecution of the '095 patent, Applicants cited this advertisement as marketing material for the Bora-Care concentrate before the critical date. The Examiner determined that this and other advertisements did not rise to the level of a commercial offer for sale and thus was not barring pursuant to Section 102(b).

A contention is that because this advertisement was prepared in mid-1988 and was not changed, the Bora-Care product being manufactured correspondingly did not change. Stated differently, the contention is that if the Bora-Care formulation changed after 1988, then the "Rest Assured" advertisement that lists "Bora-Care" as one of six items should have likewise been changed in 1989—despite the name of the product remaining the same.

To disclose the underlying facts regarding this "Rest Assured" advertisement, Exhibit 22 is a portion of the deposition testimony of Mr. John Leeper, editor of the *Log Home Guide*. This is the magazine in which the "Rest Assured" advertisement published that was previously considered by the Examiner (Exhibit 21). Mr. Leeper testified that the advertisement would have had to be submitted to the magazine sometime in November 1988. *Id.* at 59:23-60:4. In his deposition, Mr. Leeper was also asked about an Advertising Confirmation document for another magazine, *Log Home Magazines*, in which the "Rest Assured" ad is annotated as being submitted in August 1988. *See id.* at 30:25-31:24; *see also* Exhibit 21 (copy of ad and confirmation). That advertisement is believed to have published around the same time as the previously submitted "Rest Assured" advertisement, namely, in the "1989 LOG HOMES Annual Buyer's Guide."

The name of the product, "Bora-Care," did not change from mid-1988 despite its formulation changing. Given the "Bora-Care" name remaining the same, Applicants saw

no need to change its print ads. The advertisement was directed to the Bora-Care RTU product until November 1988 and to Bora-Care concentrate forward. The original corporate owner retaining the same advertisement does not dictate or imply that the “Bora-Care” formulation being sold remained constant, particularly given no data or product information is provided about Bora-Care’s attributes in the ads. Maintaining the same advertising does not justify finding the claims unpatentable.

Fourth, it has also been contended that Mr. Galyon testified that “Bora-Care” was invented in early 1988, and that testimony supposedly means Bora-Care concentrate. The testimony at issue, however, relates to the Bora-Care RTU. Exhibit 23, 142:10-17. In an earlier deposition, Mr. Galyon testified that during this time frame, the inventors formulated the RTU product that included Timbor, ethylene glycol, and water. Exhibit 14. In addition to Mr. Galyon’s testimony that the Bora-Care RTU was the “Bora-Care” product formulated during this time of late 1987 and early 1988, he also expressly stated that the inventors did not “really start working” on the Bora-Care concentrate until the fall of 1988. *Id.* Based on all of Mr. Galyon’s testimony, the “Bora-Care” invented during late 1987 to early 1988 is the RTU product. There is no discrepancy in his testimony given on different occasions—and his testimony is consistent with relevant documents.

Fifth and finally, it has also been contended that Mr. Galyon’s meeting with patent counsel, Mr. Robert Pitts, in the summer of 1988 indicates that the Bora-Care concentrate was invented at this time. This conclusion does not logically follow. The testimony and documents support that the Bora-Care concentrate was not invented until after the summer of 1988. Mr. Galyon meeting with patent counsel before that time does not change the date of invention.

Also of note, the patent attorney with whom Mr. Galyon initially met, Mr. Pitts, did not prepare the patent application at issue. That is, another attorney, Mr. Michael Teschner, filed the original patent application in the priority chain. The inventors met with Mr. Teschner in approximately February or March 1989, after the date of invention and reduction to practice.

**Experimental Use of "Bora-Care" Before the Critical Date**

An issue has recently arisen about a potential use of the Bora-Care concentrate in January 1989. However, Applicants believe if it occurred, the use falls into the "experimental" exception. Specifically, starting in January 1989, Mr. Lonnie Williams began the process of testing a Bora-Care product in a study to try to determine its efficacy as a pesticide. At the time, Mr. Williams was an employee of the U.S. Forestry Service, a division of the U.S. Department of Agriculture.

The testing commenced about four months before the critical date of May 1989. If Mr. Williams used the Bora-Care concentrate in the January 1989 testing, he received it shortly after the first reduction to practice. A brochure documenting this testing entitled "Borates for Wood Protection-Evaluating Test Houses Built with Borate Treated Wood in Mississippi" dated January 1990 has already been cited in the prosecution, and a courtesy copy is attached hereto as Exhibit 24. A copy of a document discussing the testing protocol, "Treated Test House Field Exposure Evaluations Research and Technology Transfer Demonstration Project," has also been cited by Applicants, and is attached as Exhibit 25 for the Examiner's convenience. As will be noted from the brochure (Exhibit 24), test houses were prepared and treated with different pesticides to evaluate their respective efficacies. One of the tested products was the "Bora-Care" product. The literature details the construction of the test houses and testing protocol.

In 2001, Mr. Williams testified in a deposition about this testing and the Bora-Care product that he thought he had used was the RTU product. Exhibit 26, 47:13-48:16. More recently, Mr. Galyon testified that he recalled Mr. Williams was originally provided with the Bora-Care RTU product. However, before the tests commenced in January 1989, Mr. Galyon believed the RTU product was replaced with the Bora-Care concentrate. Exhibit 13, 50:4-52:10. Applicant assumes here for the purposes of this disclosure that Mr. Galyon's testimony is correct and Mr. Williams was provided with the Bora-Care concentrate for his testing in January 1989 (after initially being provided the RTU product). Even with this assumption, Applicants submit that there is no barring activity because the testing falls within the experimental use exception of Section 102(b).

In considering whether this event is “experimental,” it is highly relevant that the sole purpose of providing the Bora-Care product was for testing, as the first sentence in the brochure expressly documents: “Environmentally safe borate preservatives are currently being *tested* for protecting wood in buildings. . . .” Exhibit 24 (emphasis added). The testing, moreover, was to determine whether the product was satisfactory for its claimed use to prevent or eradicate infestations in “real world” conditions.

One specific objective of the testing was to determine leaching losses with and without additional water-repellant treatments. *Id.* at 4. This experimental testing aimed at the formulation’s utility was particularly warranted given the problems with the original RTU formulation. As the brochure also notes, monitoring of the treated materials for insect attack was to occur at set intervals and records were to be kept. Leaching losses were also to be determined through testing on the treated materials. These considerations further buttress that the use of the Bora-Care on the test houses was experimental in nature.

Important to this analysis, no commercial benefit arose from providing the Bora-Care for the test house experiments. That is, as Mr. Williams attested, the original corporate owner provided him the Bora-Care product at no cost. Exhibit 26, at 207:22-208:11. Notably, as a government employee, Mr. Williams was legally prohibited from purchasing the Bora-Care product. *Id.* at 45:13-21.

For these reasons, if the Bora-Care concentrate was used in January 1989 for the testing, it was for experimental purposes rather than premature commercial exploitation of the claimed invention. The Section 102(b) bar, thus, should not apply to this testing activity.

### **Inequitable Conduct Allegations**

In the second lawsuit, which is now actively being litigated in the district court, the Court has allowed the defendant to prosecute three different allegations or counts of inequitable conduct:

- 1) A formulation is claimed that sets forth propylene glycol, a chemical expressly disclosed in the patent specification as an embodiment;

- 2) A declaration submitted in 1991 by one of the patentees Mr. Galyon is allegedly fraudulent—a disputed contention—but nonetheless immaterial to the pending claims; and
- 3) A collection of allegations involving representations and omissions during the '095 patent prosecution supposedly renders that patent unenforceable.

Applicant addresses each of these three inequitable conduct allegations below, pursuant to the requirements under MPEP Section 2001.06:

**Inequitable Conduct Alleged for Claiming Propylene Glycol**

For its first inequitable conduct charge, the defendant alleges that Applicants had no idea of using propylene glycol with a borate and polyethylene glycol until reviewing the defendant's confidential litigation information in 1999. Applicant believes the facts show this charge to be unsubstantiated.

First, the patent application itself expressly discloses the use of propylene glycol:

The term "at least one short chain alkylene glycol" is intended to mean an alkylene glycol having a chain length of about 2 to about 4 carbon atoms. These would include, ethylene glycol, *propylene glycol* and butylene [sic] glycol.

Specification, 20:35-21:1 (emphasis added).

In fact, the Examiner in the prosecution here based his obviousness-type double patenting rejection on U.S. Patent No. 5,104,664 encompassing a propylene glycol formulation:

Ethylene glycol is also set out in claim 1 [of the '664 patent]. Propylene glycol would fall under the category of "short chain alkylene" and would be an obvious variant for the ordinary practitioner.

Office Action of July 14, 2004, at 3.

Furthermore, Applicants expressly claimed a formulation including propylene glycol in U.S. Patent No. 5,645,828, which issued two years before Applicants allegedly first learned of this formulation from the defendant's litigation materials. Specifically, Claim 12 of the '828 patent reads in part:

12. The method of claim 11 wherein said short chain polyalkylene glycol having an average molecular weight of between about 200 and about 400 is polyethylene glycol having an average molecular weight of about 200, said alkylene glycol is ethylene glycol or *propylene glycol* and said boron provided as a glycol soluble



boron containing compound is selected from the group consisting of disodium octaborate tetrahydrate, borax, boric acid, potassium, ammonium, and sodium salts of boric acid and boric oxide. (Emphasis added.)

Also relevant, co-inventor Mr. Galyon testified that the inventors conducted experiments using propylene glycol in the Bora-Care concentrate:

Q. Did you prepare any *other formulations for a Bora-Care concentrate* product that you submitted to patent counsel or anyone else other than the formulation that is set out in the Confidential Statement of Formula in the EPA application?

A. Yes.

Q. And what were those combinations and where were they recorded?

A. Well, I know that we had—there were variations that were possible obviously from the formulation other than what was submitted to the EPA. One of them—I remember a couple specifically. *One of them contained propylene glycol instead of ethylene glycol* and—

Exhibit 13, 60:11-23 (emphasis added). Thus, propylene glycol had been included in the initial experiments and expressly conveyed to patent counsel, Mr. Teschner.

**Inequitable Conduct Alleged for Submitting a Supposedly Fraudulent Declaration During Prosecution in 1991**

The defendant also contends that while prosecuting the original application in the patent priority chain—the ‘664 patent— Applicants allegedly “submitted false testing results and reports to the Patent Office that allegedly demonstrate that the claimed subject matter claimed in these patents, namely the Bora-Care product, provided unexpected superior results when compared to conventional products ... which were submitted to the Patent Office in support of the patentability of the ‘664 patent.” Exhibit 5, ¶ 14.

Applicant disagrees with this allegation. However, even if it is hypothetically true that Mr. Galyon’s representations were inaccurate, this allegation is not material to the underlying claims (or the claims that issued in the ‘095 patent). The defendant specifies that the alleged misrepresentation relate to two claim limitations: “material misrepresentations and false submissions [related to the ‘664 patent] include the fact that the composition or compositions recited in the claims is allegedly [1] ‘environmentally safe,’ and supposedly [2] ‘exhibits improved depth of penetration.’ ” Exhibit 5, ¶ 14.

These two specific claim limitations to which the allegedly fraudulent submissions relate—"environmentally safe" and "improved depth of penetration"—do not appear in the pending claims. Since the alleged misrepresentations relate to features/attributes not claimed, this inequitable conduct allegation is not material here.

**Inequitable Conduct Alleged for Supposed Misrepresentations and Omissions in Disclosing 1988 "Bora-Care" Sales Prosecuting the '095 Patent**

In the remaining pleaded inequitable conduct allegation, the defendant has set forth contentions related to the disclosure of the 1988 Bora-Care sales to the Examiner. See Exhibits 5 and 7.

One basis for the defendant's inequitable conduct charge is that Applicants' counsel represented to the Examiner that the Bora-Care concentrate was "*developed*" "months after November 1988." The defendant charges that this statement misled the Examiner and thus constitutes inequitable conduct. Applicant believes that the statement is actually true and, instead, defendant is applying an out-of-context inapplicable definition to the word.

In evaluating the "Bora-Care" activity in 1988 during the prosecution of the '095 patent, the issue was whether the inventors or the original corporate owner had publicly used or sold the Bora-Care concentrate before the critical date. Section 102(b) was thus at play. The date of invention or date of actual reduction to practice (in a non-public forum) cannot be Section 102(b) bar dates; these dates are instead relevant in Section 102(a) or (g) rejections.

In this Section 102(b) context addressing the pre-critical date "Bora-Care" sales and uses, Applicants' counsel stated during the prosecution of the '095 patent that:

Months after November 1988 when Batch Number 1010 was manufactured, the original corporate patent owner *developed* the formulation of its current "Bora-Care" product....

In this sentence, the intended meaning of "developed" was commercialized, not invented, conceived, or first reduced to practice.

To support the inequitable conduct charge, the defendant has interpreted “developed” to mean invented. The following quotation from the litigation pleadings illustrates this point:

Mr. Altera’s representation that the Bora-Care [concentrate] formulation comprising polyethylene glycol (PEG), ethylene glycol, and disodium octaborate tetrahydrate was *invented* “months after November 1988 when Batch Number 1010 was manufactured,” is further contradicted by the testimony of Allan Dietrich.

Exhibit 5, at p. 16, ¶ 57 (emphasis added). This out-of-context modification is not what was intended or even relevant given the Section 102(b) context. Again, Section 102(b) does not involve date of “invention,” but instead public disclosures and sales.

Buttressing Applicants’ point, the dictionary defines “developed” to mean “[t]o bring from latency to or toward fulfillment.” *The American Heritage Dictionary of the English Language*, 4th Ed., 2000. In comparison, similar to the patent parlance, the term “invented” is defined to mean “[t]o produce or contrive (something previously unknown) by the use of ingenuity or imagination.” *Id.* The meaning of “developed” is broader than “invented” because it encompasses not only inventing a formulation, but also taking steps to commercialize that formulation—or bringing the product “to fulfillment.”

Furthermore, even if “developed” is incorrectly construed to mean “invented” or even “reduced to practice” and the relevance of Section 102(b) is totally ignored, then the representation at issue should have read the Bora-Care concentrate was invented/reduced to practice/developed “ ‘a month after the November 1988’ batch ticket” instead of “ ‘months after the November 1988’ batch ticket.” Thus, even accepting the unintended definition of “developed,” there still would not have been a material misrepresentation to the Examiner because the concentrate formulation was invented/reduced to practice *after* November 1988. As discussed above, December 12, 1988 was the date that the inventors’ efforts culminated by formulating their preferred embodiment. *See* Exhibit 12 hereto; *see also* Exhibit 11, 48:24-49:3 (Mr. Dietrich’s testimony regarding the same).

*Cumulative Materials Are Not Required to be Cited to the Examiner*

The defendant also alleges inequitable conduct exists because of the failure to cite one cumulative document, namely, a testimonial the Grosses authored documenting their use of a Bora-Care product in the summer of 1988. *See* Exhibit 27 hereto. As discussed above, however, Applicants provided the Examiner with the relevant sales receipts to establish that a “Bora-Care” product was being made, used, and sold during 1988. The defendant, in fact, pleads that some of these receipts provided to the Examiner originated from the Grosses:

Mr. Altera also correlated several of the sales invoices with batch tickets allegedly showing the Bora-Care formulation containing water, ethylene glycol, and Timbor. Two of these invoices, nos. 612591 and 019567, were to *Log Connections/Judy Gross*.

Exhibit 5, at 15, ¶ 54. These receipts initially resulted in the patent claims being rejected.

The testimonial at issue is no more probative than the sales receipts. The testimonial, like the sales receipts, show that a product called “Bora-Care” was being publicly used and sold in 1988. In other words, this testimonial document is cumulative of the other material that Applicants' counsel provided to the Examiner. An applicant need not provide every single document to the Examiner on an issue. Specifically, “[a] patentee need not cite an otherwise material reference to the PTO if that reference is merely cumulative or is less material than other references already before the examiner.” *Baxter Int’l, Inc. v. McGaw, Inc.*, 149 F.3d 1321, 1328 (Fed. Cir. 1998). Having another document that stands for the same proposition as the sales receipts would be, by definition, cumulative.

*The Defendant Alleges Other Supposed Omissions That Cannot Support an Inequitable Conduct Charge*

In its discovery responses, the defendant lists different “omissions” that supposedly give rise to this inequitable conduct count in addition to not citing the uncorroborated testimony. Many of these have already been addressed: (1) the

deposition testimony of co-inventors Dietrich and Galyon; (2) documents showing the production of Bora-Care concentrate in December 1988; (3) documents indicating the EPA filing in January 1989; (4) disclosure that co-inventors Galyon and Dietrich consulted with attorney Pitts in summer 1988; and (5) a court order noting that approximately \$6,700 of Bora-Care sales occurred between July and November 1988. All of these issues except the last have already been addressed above.

First, Applicants are unaware of any testimony from either Mr. Galyon or Dietrich that is contrary to any representations to the Examiner. The portions that are relevant here correspond to the facts and documents presented to the Examiner. Second, Exhibit 12 hereto does not show that a production of Bora-Care concentrate occurred in December 1988; instead, the inventors testified that there was only a laboratory batch made. *See* Exhibit 11, 48:21-51:17; Exhibit 14, 57:10-15. Moreover, the sales records (Exhibit 10) do not reflect that any sales of Bora-Care occurred after November 1988 until April 1989, at which point the data ends. Third, the EPA filing cannot be a barring activity as a matter of law, as the relevant disclosure are treated as trade secrets. *See* 7 U.S.C. § 136(h). Fourth, the date on which co-inventors Galyon and Dietrich met with attorney Pitts does not change their date of their invention of the Bora-Care concentrate. The documents and corroborated testimony establishes this date to be at the very end of 1988.


The last supporting allegation that the defendant makes is that the Applicants did not cite a court order stating in it factual discussion that there was approximately \$6,700 of Bora-Care sales between July and November 1988. This statement by the court, which is at page 2, paragraph 2 of Exhibit 28, corresponds to the sales records set forth in Exhibit 10 hereto. The quantity of sales, however, does not change the underlying issue, namely, whether the Bora-Care concentrate was being sold before the critical date. Applicant respectfully submits that all material evidence supports that the Bora-Care concentrate was not sold in 1988.

**CONCLUSION**

Consideration of the items listed and the attached exhibits is respectfully requested. Pursuant to the provisions of M.P.E.P. § 609, it is requested that the Examiner return a copy of the attached Form 1449, marked as being considered and initialed by the Examiner, to the undersigned with the next official communication.

Please charge \$180.00 to Deposit Account No. 13-2725 pursuant to 37 C.F.R. § 1.17(p) for consideration of the items listed on the enclosed Form 1449. The Commissioner is hereby authorized to charge any additional fees that may be required or credit any overpayment to this Deposit Account.

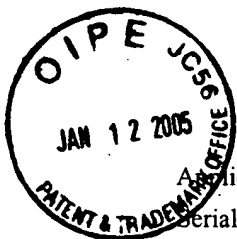
Respectfully Submitted,  
Merchant & Gould



Daniel Pauly  
Reg. No. 40123

January 12, 2005

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Telephone: 612-332-5300



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Vincent R. Palmere et al. Examiner: Carlos A. Azpuru  
Serial No.: 10/674,698 Group Art Unit: 1615  
Filed: September 30, 2003 Docket: 60044.58USC4  
Title: METHODS AND COMPOSITIONS FOR RETARDING AND ERADICATING INFESTATION  
IN TREES AND TREE DERIVED PRODUCTS

CERTIFICATE UNDER 37 CFR 1.10:

"Express Mail" mailing label number: EV 408491125 US

Date of Deposit: January 12, 2005

I hereby certify that this paper or fee is being deposited with the U.S. Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

By: 

Name: David Ortiz

Mail Stop Amendment  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**23552**

PATENT TRADEMARK OFFICE

Sir:

We are transmitting herewith the attached:

- ☒ Transmittal Sheet in duplicate containing Certificate of Mailing
- ☒ Information Disclosure Statement, Form 1449, 33 Reference(s)
- ☒ Return postcard

Please consider this a PETITION FOR EXTENSION OF TIME for a sufficient number of months to enter these papers or any future reply, if appropriate. Please charge any additional fees or credit overpayment to Deposit Account No. 13-2725. A duplicate of this sheet is enclosed.

MERCHANT & GOULD P.C.  
P.O. Box 2903, Minneapolis, MN 55402-0903  
612.332.5300

By: 

Name: Daniel M. Pauly

Reg. No.: 40,123

DMP:ck

<b>FORM 1449*</b> <b>INFORMATION DISCLOSURE STATEMENT</b>  <b>IN AN APPLICATION</b> (Use several sheets if necessary)	Docket Number: 60044.58USC4	Application Number: 10/674,698
	Applicant: Palmere, et al.	
	Filing Date: September 30, 2003	Group Art Unit: 1615

## U.S. PATENT DOCUMENTS

EXAMINER INITIAL	DOCUMENT NO.	DATE	NAME	CLASS	SUBCLASS	FILING DATE IF APPROPRIATE
	2,655,454	10-13-53	Farber et al.	117	147	
	4,572,733	02-25-86	Howard	71	64.08	

## FOREIGN PATENT DOCUMENTS

	DOCUMENT NO.	DATE	COUNTRY	CLASS	SUBCLASS	TRANSLATION	
						YES	NO

## OTHER DOCUMENTS (Including Author, Title, Date, Pertinent Pages, Etc.)

	Hiraishi, Chemical Abstract Number 89: 131145 (1978)
	Takeuchi, Chemical Abstract Number 107: 238824 (1987)
	Hoffmann, Per. <i>Holzforschung</i> , 42: 289-294 (1988)
	Trumble, W. P. and Messina, E. E., <i>Proceedings - Eighty-First Annual Meeting of the American Wood-Preservers' Association</i> , 81: 203-214 (1985)

23552

PATENT TRADEMARK OFFICE

EXAMINER	DATE CONSIDERED
EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609; draw line through citation if not in conformance and not considered. Include copy of this form for next communication to the Applicant.	



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U.S. PATENT DOCUMENTS						
EXAMINER INITIAL	DOCUMENT NO.	DATE	NAME	CLASS	SUBCLASS	FILING DATE IF APPROPRIATE
FOREIGN PATENT DOCUMENTS						
	DOCUMENT NO.	DATE	COUNTRY	CLASS	SUBCLASS	TRANSLATION
						YES NO
OTHER DOCUMENTS (Including Author, Title, Date, Pertinent Pages, Etc.)						
	1	Civil Docket for Case # 3:98-cv-00433 (Eastern District of Tennessee - Knoxville)				
	2	Civil Docket for Case # 3:03-cv-00120 (Eastern District of Tennessee - Knoxville)				
	3	Civil Docket for Case # 3:03-cv-00399 (Eastern District of Tennessee - Knoxville)				
	4	First Amended Complaint in Civil No. 3:03-cv-120 (August 25, 2003)				
	5	Defendant Perma-Chink's Amended Answer and Counterclaims to Plaintiff's Amended Complaint in Civil No. 3:03-cv-120 (September 30, 2004)				
	6	Counterclaim-Defendant Nisus' Answer to Counterclaim-Plaintiff Perma-Chink's Counterclaims in Civil No. 3:03-cv-120 (October 25, 2004)				
	7	Perma-Chink's Motion for Summary Judgment of Patent Unenforceability Due to Inequitable Conduct, and excerpts from Exhibits, in Civil No. 3:03-cv-120 (December 16, 2004)				
	8	Batch Tickets 1001-1010 (encompassing June 20, 1988 - November 15, 1988, inclusive)				
	9	Batch Tickets 1011-1012 (May 11, 1989 and October 24, 1989, respectively)				
	10	Sales Records (May 16, 1989 and May 8, 1989)				
	11	Deposition transcript of Allen Dietrich in Civil No. 3:98-cv-433 (October 19-20, 1999)				
	12	Batch Ticket (identified as Exhibit 5)				
	13	Deposition transcript of Stanley Galyon in Civil No. 3:03-cv-120 (December 3, 2003)				
	14	Deposition transcript of Stanley Galyon in Civil No. 3:98-cv-433 (October 20, 1999)				
	15	Deposition transcript of Jeff Baden in Civil No. 3:98-cv-433 (August 23, 2000)				
	16	Deposition transcript of Jeffrey Liekhus in Civil No. 3:98-cv-433 (August 25, 2000)				
	17	Deposition transcript of Judith Gross in Civil No. 3:98-cv-433 (May 8, 2001)				

EXAMINER	DATE CONSIDERED
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FOREIGN PATENT DOCUMENTS							
	DOCUMENT NO.	DATE	COUNTRY	CLASS	SUBCLASS	TRANSLATION	
						YES	NO
OTHER DOCUMENTS (Including Author, Title, Date, Pertinent Pages, Etc.)							
	18	Ms. Goss' phone bad (identified as Bates # LC000090)					
	19	Deposition transcript of Michael Gross in Civil No. 3:98-cv-433 (May 8, 2001)					
	20	EPA application for the Bora-Care concentrate (January 11, 1989)					
	21	(previously cited to the Examiner)					
	22	Deposition transcript of John Leeper in Civil No. 3:98-cv-433 (August 23, 2000)					
	23	Deposition transcript of Stan Galyon in Civil No. 3:98-cv-433 (October 21, 1999)					
	24	(previously cited to the Examiner)					
	25	(previously cited to the Examiner)					
	26	Deposition transcript of Lonnie Williams in Civil No. 3:98-cv-433 (May 17, 2001)					
	27	Letter from Judy and Mike Gross to Log Connections, Inc. documenting their use of a Bora-Care product (November 15, 1988)					
	28	Memorandum in Civil No. 3:98-cv-433 issued by District Judge Collier (January 31, 2002)					

EXAMINER	DATE CONSIDERED
EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609; draw line through citation if not in conformance and not considered. Include copy of this form for next communication to the Applicant.	